



Trade Facts

From the Office of the United States Trade Representative
Washington, DC 20508

www.ustr.gov

Strengthening Democracy, Promoting Prosperity Highlights of Trade Capacity Building Initiatives In Support of the US-CAFTA Negotiations

To foster trade and development in innovative new ways, the US-CAFTA negotiations will include a Trade Capacity Building group meeting in parallel with the five negotiating groups. Each Central American country identified its needs in a "National Trade Capacity Building Strategy". Donors have responded with more than 50 projects; highlights of key initiatives are outlined below, and more will follow in the months ahead. Donors include: U.S. Government agencies; international institutions; corporations and non-governmental organizations.

Improving the Lives of Workers and Consumers

- The U.S. Department of Labor is funding a number of programs that aim to enhance implementation of labor laws and improve the lives of workers in the region. For example, an occupational safety and health project is reducing the incidence of workplace injuries, and a cooperative program among business, workers, and governments is improving labor relations at companies.
- Worldwide Responsible Apparel Production (WRAP) – a global factory certification program for best practices in the apparel and sewn products industries – will expand government, manufacturer and NGO participation in its factory compliance and labor inspection training activities.

Improving Food Safety and Animal Health Inspection

- The U.S. Agency for International Development (USAID) and the U.S. Department of Agriculture, drawing on experts in other U.S. agencies, will provide training to improve food safety and animal health inspection systems in Central America.
- The Inter-American Development Bank (IDB) will help strengthen science-based food safety inspection systems that will comply with commitments in the trade agreement.

The President's 2003 budget request includes \$47 million in U.S. trade capacity-building assistance for Central America, a 74% increase over 2002.

Helping Small Businesses and Individuals To Compete

- The Inter-American Development Bank (IDB) will finance several initiatives to help small businesses in Central America. These will include training in how to trade internationally, how to manage supply chains, and how to use international accounting and auditing standards.
- The Organization of American States' Inter-American Cooperation and Development Agency approved \$1.3 million in non-refundable cooperation for Central American in 2003, most of which is directed at strengthening the competitiveness of micro and small enterprises.

Strengthening Democracy, Promoting Prosperity

Highlights of Trade Capacity Building Initiatives

- The World Bank has approved \$41.3 million in loans to help firms in Central America re-structure and become more competitive in anticipation of a free-trade agreement with the United States. These loans are being structured to focus directly on the most immediate challenges firms may face once US-CAFTA comes into effect.
- Intel Corporation has committed to extend in 2003 Intel's "Teach to the Future" effort to help 2,100 new and experienced teachers in Costa Rica to integrate technology into their classrooms.

Investing In A Cleaner Environment

- The U.S. Environmental Protection Agency (EPA) and USAID, together with the Central American Commission for Environment and Development (CCAD), train environmental compliance inspectors in Central America, thus strengthening the regional environmental enforcement networks and improving enforcement of environmental laws in each country.
- The World Environment Center (WEC), an independent non-profit organization, will help locate affordable loans for small and medium-sized businesses in Central America to invest in pollution prevention systems and environmentally cleaner technologies. The WEC Capacity Building Program will also offer environmental training courses to businesses in Central America.

Practical Assistance For The Negotiating Teams

- The US-CAFTA negotiations will be intense and detailed, with nine negotiating rounds scheduled for 2003. To assist the Central American negotiators, the Central American Bank for Economic Integration (CABEI) has approved \$2.5 million in non-reimbursable financial cooperation specifically to support the negotiating teams with basic trade studies and logistical support for the nine rounds of negotiations. In addition, USAID will purchase computer equipment for the Ministry of Industry and Commerce in Honduras.

Strengthening Trade-Related Information Systems and Regulatory Practices

- Having access to high quality trade information is vital for trade negotiators to do their jobs effectively. USAID will purchase, install, and provide training on computer software that will help manage real-time trade data (exports, imports, tariffs, etc.) for all five countries.
- In Nicaragua, USAID will support the government's fiscal reform process, funding studies on how to replace government revenues reduced through tariff cuts.

Involving Civil Society in the Trade Policy Process

- USAID will work with Central American Trade/Economic ministries to develop websites for the collection of public comments on US-CAFTA, as well as for the dissemination of information about the negotiations to the public.
- The Humane Society of the United States will assist Central American governments with advice on how to broaden their outreach to civil society groups in each country.

For more information on the Trade Capacity Building component of the US-CAFTA negotiations, go to www.ustr.gov/new/tcb.htm
